

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4380-01
Bill No.: SB 525
Subject: Health, Public; Health Department
Type: Original
Date: December 18, 2013

Bill Summary: This proposal modifies provisions relating to food preparation for charitable purposes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Columbia/Boone County Department of Public Health and Human Services (PHHS)** state the proposal would result in lost revenue to the PHHS. PHHS requires Temporary Food Permits be issued for food events such as those described in the proposal. In 2013, PHHS issued approximately 121 such permits at a cost of \$30 per permit. If this proposal passes, it is estimated that at least half of those events would not require permits, thereby resulting in a loss of at least \$1,950 (60 permits X \$30/permit) in revenue. This would be an annual loss in revenue.

Officials from the **Cass County Health Department** state they do not require a paid permit for not-for-profits. However, the potential cost associated with this proposal would average between \$4,000 and \$100,000 per outbreak of foodborne illness. These costs would include staff hours for epidemiologists, health inspectors, laboratory testing, and additional staff for area jurisdictions to assist based on the sized of the outbreak.

In response to identical legislation from the current session (HB 1100), officials from the **Randolph County Health Department (RCHD)** anticipate at least one food borne illness each year due to no regulation on food produced at home but sold at charitable events. There are a number of charitable events held each year in the county and the RCHD currently regulates foods sold to the public. One outbreak per year may be a conservative estimate since there would be no oversight on home facilities to determine if there is adequate refrigeration, if preparation areas are sanitized prior to food contact and whether personnel have any training in food preparation. Food is potentially hazardous if not handled correctly.

In January 2005, the RCHD investigated a food borne disease investigation. The investigation involved three (3) health department personnel for three days each and two days for write-up and follow-up on the occurrence. The total staff time involved equated to 88 hours. Based on an average wage (including benefits) of approximately \$30 an hour, it has been determined that this single outbreak cost approximately \$2,640. Costs could be higher if the charitable event sells food to people from different communities or counties. The particular outbreak discussed was confined to members of an event that were listed by the management and contact information was readily available, thereby, reducing the amount of time required for the investigation and follow-up.

ASSUMPTION (continued)

Oversight assumes, for fiscal note purposes, the potential costs associated with outbreaks of foodborne illnesses for any particular county to be speculative. **Oversight** further assumes the potential loss in permit revenues that would be lost due to this proposal to be absorbable by the cities and counties that currently require not-for-profits to obtain permits.

Officials from the **City of O'Fallon** state the proposal would have no fiscal impact on their organization. However, they would have to advertise this to non-profit organizations so everyone would be aware of the new law.

Officials from the **Department of Health and Senior Services** assume the proposal would not fiscally impact their agency.

Officials from the **Henry County Health Center** indicated they do require charitable organizations to have temporary food permits if they charge for the event. However, no fiscal impact for the proposal was provided.

No additional local public health departments, cities, or counties responded to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may result in minimal savings to small business charities if local public health departments currently require them to purchase permits to serve homemade goods at fundraising events.

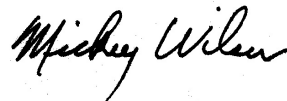
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Columbia/Boone County Department of Public
Health and Human Services
Cass County Health Department
Henry County Health Center
Randolph County Health Department
City of O' Fallon



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